

Indiana Department of Financial Institutions

ABOUT CREDIT QUIZ

1. A disadvantage of using credit is impulse buying.
☐ True ☐ False
2. Capital refers to a person's assets.
☐ True ☐ False
3. A steady employment record helps a person's credit history.
☐ True ☐ False
4. Installment credit usually allows a person to make additional purchases on an account.
☐ True ☐ False
5. Using the 20-10 rule, a person making \$30,000 a year should have no more than \$8,000 in outstanding debt.
☐ True ☐ False
6. A common advantage of using credit is:
☐ less impulse buying.
☐ lower cost for items purchased.
☐ ability to obtain needed items now.
☐ lower chance of overspending.

7. A person's regular income is referred to as:

- ☐ character.
- ☐ capital.
- ☐ collateral.
- ☐ capacity.

8. To build a credit history, a person could:

- ☐ establish a steady employment record.
- ☐ file his or her federal income taxes on time.
- ☐ use an ATM several times a month.
- ☐ request to view her or his credit file.

9. Utility companies and medical service organizations commonly offer (fill in the blank) credit.

- ☐ revolving
- ☐ single-payment
- ☐ installment
- ☐ retail

10. Using the 20-10 rule, a person earning \$1,500 a month should not have monthly credit payments that exceed:

- ☐ \$300
- ☐ \$150
- ☐ \$20
- ☐ \$30